

BEFORE THE FEDERAL ELECTION COMMISSION

2004 JAN 20 1 A 9:54

In the Matter of

Gene Stipe
The Stipe Law Firm
Walt Roberts
Walt Roberts for Congress

MURs 4818 and 4933

SENSITIVE

GENERAL COUNSEL'S REPORT #14

I. ACTIONS RECOMMENDED

1. Accept three conciliation agreements.
2. Close the file as to four respondents.

II. BACKGROUND

MUR 4818 arose from a complaint alleging that Walt Roberts and Walt Roberts for Congress ("the Committee") knowingly and willfully violated 2 U.S.C. § 441a(f) by accepting prohibited contributions. Through the Commission's investigation, we discovered that Gene Stipe devised multiple schemes to contribute funds to the Committee, while hiding himself as the true source of the contributions.

On May 31, 2002, the Commission found probable cause to believe that Stipe, The Stipe Law Firm ("the Firm"), and Roberts and the Committee, knowingly and willfully violated 2 U.S.C. § 441f and referred the violations to the United States Department of Justice ("DOJ"). As a result of DOJ's action related to the Commission's referral, Roberts and Stipe both pleaded guilty to felonies.¹ See GCR #10 (October 9, 2003) at 3 (discussing criminal pleas and sentences).

¹ Gene Stipe's sentencing, initially scheduled for October 8, 2003, is now scheduled for January 30, 2004 having been delayed six times. Stipe has made several statements to the media that indicate he will not seek a seventh delay.

On October 9, 2003, the Commission authorized this Office to enter probable cause conciliation with Stipe, the Firm, and Roberts and the Committee.² See GCR #10 (October 9, 2003). In this report, we recommend that the Commission accept the three conciliation agreements concerning these four respondents. Attachments 1-3.

III. DISCUSSION

² The Commission also authorized this Office to enter probable cause conciliation with Charlene Spears, and enter pre-probable cause conciliation with James E. Lane, Francis Stipe, Michael Mass, Larry Morgan, Harold Massey, Sr., Paul Beavers and Edith "Susie" Beavers. To date, the Commission has accepted conciliation agreements with Michael Mass for \$30,000, Harold Massey, Sr., for \$36,000, and Larry Morgan for \$18,500. See GCR #11 (November 28, 2003), GCR #12 (December 9, 2003), and GCR #13 (December 31, 2003), respectively. We expect to make recommendations as to the remaining respondents in this Matter shortly.

CONCILIATION INFORMATION IS CONTAINED IN PAGES 3-7.
THESE PAGES HAVE BEEN REMOVED FROM THE FILE.

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IV. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Gene Stipe.
2. Accept the attached conciliation agreement with The Stipe Law Firm.
3. Accept the attached conciliation agreement with Walt Roberts and Walt Roberts for Congress.
4. Close the file as to Gene Stipe, The Stipe Law Firm, Walt Roberts, and Walt Roberts for Congress.
5. Approve the appropriate letters.

Lawrence H. Norton
General Counsel

1/16/04
Date

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Attachments:

1. Conciliation Agreement – Gene Stipe
2. Conciliation Agreement – The Stipe Law Firm
3. Conciliation Agreement – Walt Roberts and Walt Roberts for Congress